

# Montgomery County Bag Tax Legislation

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## Proposed Tax:

- 5-cent tax on carryout paper and plastic carryout bags provided by retail establishments
- Creates an incentive for the public to reduce use of disposable bags and bring their own bags
- Used to shift the burden of litter clean up costs from public taxpayers, to consumers who now have a choice to avoid the 5-cent tax by bringing their own bags
- The retail establishment may retain 1-cent of each 5-cents they charge per bag
- DC's Bag Law successful in reducing bag distribution by 50 percent (reported by retailers)
- Effective date: January 1, 2012

## Why We Care About Bags

- Plastic bags are a major component of litter and trash on County streets and streams
- In 2009, volunteers picked up 41,122 plastic bags during the Potomac River Regional Watershed Clean-up
- Plastic bags are the most commonly-counted pieces of trash found in our streams
- Four floatable trash items—plastic bags, food packaging, styrofoam and plastic bottles—account for the bulk of all trash items found in our streams and stormwater controls  
(from Metropolitan Washington Council of Governments, Anacostia Trash TMDL Baseline Study 2009, and DEP)

## Cost of Doing Nothing

- Monetary penalties on the County for not meeting regulatory requirements for trash control per the Anacostia Trash TMDL numeric limits.
- Continued spending by the County on litter prevention, control, and cleanup including Code Enforcement, street sweeping and litter pick up. (~\$3 million in 2009)
- Continued threat to public health, danger to wildlife and marine health
- Lost aesthetic and recreational value from river trash

## How the 5-cent Tax Will Be Used

- The tax is deposited into the Water Quality Protection Charge (WQPC) fund (after administrative costs)
- The WQPC is used for watershed restoration projects required to implement the County's MS4 Stormwater permit, to improve local water quality, and to remove litter that would otherwise get into County streams
- The retail establishment will receive 1-cent of the tax back

## Differences with the DC Bag Law

- No requirements for retailers' carryout bags to have specific dimensions, thickness, recycled content, labeling requirements, or label size requirements.
- The entire retail sector is covered
- Unlike in DC, tax payments are not required monthly, unless retailers' tax revenues exceed \$100. If tax revenues are in excess of \$100 in a month, retailers must submit their payment to the County's Department of Finance. If tax revenues are not at least \$100, retailers submit taxes only after the cumulative tax revenue from the last payment exceeds \$100.